



City of Seattle

Gregory J. Nickels, Mayor

SEATTLE PLANNING COMMISSION

MAY 26, 2005

FINAL MEETING MINUTES

Commissioners in Attendance: George Blomberg, Chair; Steve Sheehy, Vice Chair; Hilda Blanco, Mahlon Clements, Tom Eanes, Chris Fiori, Jerry Finrow, Martin Kaplan, Valerie Kinast, Lyn Krizanich, John Owen, Joe Quintana, Tony To

Commissioners Absent: Anjali Bhagat, Mimi Sheridan

Commission Staff: Barbara Wilson, Director; Scott Dvorak, Analyst; Robin Magonegil, Administrative Assistant

Guests: Adrienne Quinn, Director of the Office of Housing

CALL TO ORDER

The meeting was called to order at 7:30 am. A quorum was not present so Chair Blomberg moved minutes approval to later on the agenda.

COMMISSION BUSINESS

▪ **Chair & Staff Report** ○ **Schedule & Housekeeping Updates**

Director Barbara Wilson reminded the Commissioners of the importance of logging their work hours. She asked them to take a look at the first trimester hours report and to make any changes needed.

Chair Blomberg mentioned the upcoming June 9 industrial lands roundtable discussion. He noted the roundtable would bring together the Commission, City Council, and City staff to discuss the ideas behind an analysis, study or strategy and to see if we are on the mark or if we can achieve what we hope to get by the August 1 deadline set by Councilmember Steinbrueck. Ms. Wilson noted that the roundtable discussion would take the place of the regularly scheduled Commission meeting and would run from 2:30 to 5:30pm.

Chair Blomberg expressed that the roundtable is an important step. The Commission has been interested in this issue for several years and has stressed the need for this analysis. He noted that the Center City Strategy roundtable was successful and that the Commission was visible as a convener of this roundtable.

Commissioner John Owen asked what the Commission's role is in this roundtable. Chair Blomberg responded that it is that of a convener. He added that he is personally very curious about the study that is being produced for August 1. Commissioner Owen agrees with the idea of the Commission as a convener but wondered if we knew what OED and DPD are doing. Ms. Wilson responded that what Tom Hauger and Laura Lutz have stated is that the likely outcome will be more of a background report and less of a strategy. Commissioner Owen suggested that there be a pre-function to spell out what the roundtable would do to try and get the discussion started. Chair Blomberg asked what happens on August 1 when the Commission is asked for its opinion of this study relative to the proposal. If we find that the proposal is lacking are we then asked to interpret that? Commissioner Owen cautions that August 1st is just two months away. Mr. Dvorak stated that one of the problems is that the August 1 deadline has been set by Council. Staff is reacting to that deadline and because of the short timeframe what they are going to produce will probably fall short of a full strategy.

Commissioner Steve Sheehy asked who is invited to the roundtable. Ms. Wilson identified the Tim Ceis, Sung Yang (from the Mayor's office), Directors of OED and DPD and some of their staff, Councilmember Steibrueck's office, Councilmember's Della's office, and Council Central Staff. Chair Blomberg felt that this would be a meeting that the public could make a contribution. Commissioner Sheehy noted that he did not disagree but questioned how much time we would be devoting to this and felt that we should look at whether or not this would be a public meeting.

▪ **Approval of May 12, 2005 Minutes**

Commissioner **Sheehy** moved and Commissioner Owen seconded that the May 12 minutes be approved. The minutes were approved unanimously.

▪ **Project Report**

- Neighborhood Business District-Briefing to the UDP Committee

Ms. Wilson pointed out that there was one change in this version of the letter. Commissioner Tom Eanes explained that the change was fine and that it essentially emphasizes the need to preserve a certain amount of commercially zoned land. Chair Blomberg noted that he finally understood the relationship between the P zones and the NC zones.

ACTION: Neighborhood Business District Letter

Commissioner Sheehy moved and Commissioner Owen seconded that the NBDS letter be approved. The letter was unanimously approved.

- North Bay DEIS Letter

Chair Blomberg recused himself from the discussion.

Vice-Chair Sheehy called for comments and/or a motion to approve the letter.

ACTION: North Bay DEIS Letter

Commissioner Finrow moved and Commissioner Eanes seconded that the North Bay DEIS letter be approved. The letter was unanimously approved.

o Nominations Committee Report

Chair Blomberg asked the Commissioners to look at the Nominations Committee report with the proposed new chairs. Commissioner Sheehy would move into the Chair position with Commissioner Finrow moving into the Vice-Chair position. The HNUC Committee Chair would be Commissioner Eanes. The Land Use and Transportation Committee Chair would be Commissioner Blomberg and the Executive Committee would include Commissioners Lyn Krizanich and Joe Quintana as At-Large members and Commissioner Owen would continue serving on the committee as Chair Emeritus.

ACTION: Nominations

Commissioner Martin Kaplan moved and Commissioner Tony To seconded that the nominations be approved. The nominations were unanimously approved.

BRIEFING

▪ **Director Report**

Adrienne Quinn, Director of Office of Housing

Chair Blomberg noted that housing comes up constantly in the Commission's agendas and the Commission is delighted at the chance to find out what is going on at the Office of Housing. He added that he would love to include a discussing of LEED and the NBDS and its impact on housing issues as well as an overview of Ms. Quinn's thoughts on her new position and direction for the Office of Housing.

Adrienne Quinn stated that what she would like to do is to give the Commission a broad view of what the Office of Housing (OH) does and doesn't do. She expressed that they are not just focused on providing affordable housing - but housing at all levels. If the focus is only on the lowest levels of affordability then there are would be gaps created throughout the housing structure of the City. She added that the City's housing supply has not been looked at comprehensively and that they are doing that study now. There is a need to understand what we have and what we really need. OH is studying rental and home buying neighborhood by neighborhood. They are finding some surprising facts. With the current weakness in the rental market (and therefore, lower rental prices) some of the subsidized units in the City are not able to compete with the private market. Plymouth Housing, for example, has vacancies in their 50 – 60% income level units. Ms. Quinn pointed out that it is important to remember that that is just at the moment, things change quickly in the marketplace. Some affordable housing providers want to reprogram their units but OH is leery since the market will change again. She noted that many affordable housing providers target 30% or below income level group. Because of stable

incentives the affordable housing providers are targeting that group and they seem to be serving them well. This will probably continue because of the State incentives. She explained that in the home ownership market, Seattle has one of the lowest home ownership rates. One reason for this is land costs are higher because of growth management. Another reason is due to construction types. Construction is going up to \$400 per square foot for cement & steel construction and that is not affordable any way you look at it. Wood construction is \$250 per square foot. She expressed that there is a great need to be careful about zoning and that high rises will be high-end housing. There is a need for other types of housing. She stressed that she is not saying that there should not be increases in height and density but just that it be deliberate and that she feels that it could contribute to a drop in prices elsewhere as supply increases overall – for example as units get built in the Denny Triangle that prices in older units in Belltown may go down. She expressed that one major challenge is to increase home ownership for more people at more levels. This is important as real estate is often a major part of people's retirement nest egg, especially as social security becomes less reliable. She noted that there is a problem with the current trend of people getting interest only loans - if the housing bubble bursts or prices flat line and interest rates rise it could mean that people will not be able to afford their mortgages and would lose out on potential equity they were building.

Commissioner Sheehy asked about the Broadway rezone proposal and Detached Accessory Dwelling Units (DADU's). Ms. Quinn stated that she thinks we should have DADU's and that we need to get neighborhoods talking about them. It would be a good role for the Commission to get that conversation going. She explained that you can increase housing in residential areas without changing the character of the neighborhood. She added that it is hard to get permits and that Diane Sugimura, the Director of the Department of Planning and Development (DPD), has talked about streamlining the permit process. Ms. Quinn added that financing is also an issue. In Southeast Seattle the DADU's could help to minimize turnover and displacement.

Commissioner Sheehy asked if the OH was willing to work with the Commission to move this forward after November 8. Ms. Quinn answered yes and that the DPD is supportive as well. He noted that we have a nice window of opportunity after the election.

Commissioner Sheehy stressed the need for more affordable housing on Broadway. Ms. Quinn replied that we need economic development on the Capitol Hill and we shouldn't be charging developers to develop there. She noted that we already have an incentive in place that accomplishes what we need and that an additional fee would be a disincentive.

Commissioner Quintana asked what she considered "work force" housing. Ms. Quinn replied that in her opinion "work force" housing starts at 30% of the average income. Commissioner Quintana feels that we are not going to get "work force" housing downtown. He feels that transit station areas should be promoted as locations for this type of housing. Ms. Quinn notes that as we look at transit oriented development around transit stations and we need to include affordable housing there. If we zone too dense, however, we will get high rises would be unaffordable. She further noted that in regard to using transfer of development rights (TDR) elsewhere in the City that if we allow them to be applied outside of downtown then we leave downtown to the rich. We need to focus on using the bonus money downtown. One purpose of the program is to create a mixed and vibrant core and not one that is just for the rich.

Commissioner Quintana clarified that he meant independent of the TDR. Ms. Quinn stated that it would help to have tax increment financing districts (TIFs) and inclusionary zoning. Other states, California for example, can use those tools but that we have constitutional prohibitions on them currently.

Commissioner To responded that the City should have urban density requirements in the urban villages. He expressed concern that we have townhouses going in areas where there should be more density and that many areas don't have the market or are perceived as not having the market for higher density development. There is less risk to the developer financially to build townhouses and there is so little land in the City zoned to accommodate them – therefore, townhouses will continue to be built on land that is actually zoned to accommodate higher density development. It's a missed opportunity for the City to get the density where it wants it.

Ms. Quinn noted that if DADUs is all that we can do in single family zones then we need to focus on the areas served by transit. She expressed that the Commission could work with people to help them to understand what density means.

Chair Blomberg asked how the Commission has worked with the OH in the past. Ms. Quinn responded that she was not sure but that one issue that she worked on when she was a Commissioner was TDR.

Ms. Wilson asked about TIF and inclusionary zoning and the feasibility that we could get these allowed in the State of Washington. Ms. Quinn answered that it was unlikely for inclusionary zoning but that there was some possibility for TIF. She added that Eastern Washington has not been supportive of it in the past but now cities in that part of the state would benefit from it – so there may be some political support for it building.

Commissioner Quintana noted that Frank Chopp is opposed to it. Ms. Quinn asked if he knew why. Commissioner Quintana stated that it was due to the fact that he views it as a subsidy for the rich and that the only thing that could change Frank's mind would be if the affordable housing community became vocal about its support for it.

Commissioner Finrow asked what the Commission could do in regard to the Comprehensive Plan to support housing issues. Ms. Quinn responded that we could support DADUs and take on minimum density requirements. She noted that it would be controversial but that it would be good to get the conversation going. She questioned why not promote more housing with related development (like the library mixed use project in Delridge). Commissioner Sheehy stated that it was very complicated to build those types of development. Ms. Quinn responded that it would be less so as it is done.

Commissioner Hilda Blanco notes that in order to increase affordable housing we need to focus on the 10 -20 unit development as this is the building size that encourages affordable units. Ms. Quinn noted that people are not building wood frame buildings now because the land costs are so high. Commissioner Blanco responded that maybe the City can do some sort of model strategy like it is doing for DADUs. Commissioner Eanes stated that there is much more of a demand for townhouses than there is land zoned for them and that it is unlikely that we will get more land zoned for townhouses.

Ms. Wilson noted that one thing that we will look at later this year is the multi-family codes. Ms. Quinn stated that the current ordinance should be ripped to shreds. The Commission should push the process forward.

Commissioner Finrow added that the Commission should look at the land the City owns, street ends, abandoned streets, etc. to be used for housing. Ms. Quinn stated that the City has used surplussed land from other departments for some of this work, but that recently with land prices increasing and department budgets being cut, many departments are selling the land at fair market value rather than selling at a reduced rate to other City departments.

PUBLIC COMMENT

Chair Blomberg asked for public comment. There was no public comment.

Commissioner Sheehy thanked Chair Blomberg for his service as Chair of the Commission for the past year.

ADJOURNMENT

Chair Blomberg adjourned the meeting at 9:00 am.